PART IV

Section—2-C (1)

GENERAL STATUTORY RULES ISSUED BY THE STATE GOVERNMENT UNDER THE CENTRAL ACTS AND STATE ACTS AND RULES MADE BY THE GOVERNOR UNDER THE CONSTITUTION.

COMMERCE AND INDUSTRIES SECRETARIAT

NOTIFICATION

Bangalore, dated 19th December 1973.

G.S.R. 11 —In exercise of the powers conferred by the proviso to Article 309 of the Constitution of India the Governor of Karnataka hereby makes the following rules, namely :—

CHAPTER I

Preliminary

1. Title and commencement.—(a) These rules may be called the KarnatakaGovernment Industrial Concerns Provident Fund Rules, 1973.

(b) They shall come into force from the date of publication in the Gazette.

2. Definitions.—In these rules, unless the context otherwise requires :—

(a) 'Act' means the Employees', Provident Fund and Family Pension Fund Act, 1952.

(b) 'Board' means a Board of Trustees constituted under these rules.

(c) 'Director' means Director of the concern.

(d) 'employee' means the employee of the Concern.

'General Manager' means the General Manager of the Concern.

(f) 'Union' or 'Association' means, the recognised Labour Union or Association of the Concern.

(g) All other words and expressions shall have the meaning respectively assigned to them in the Act or in the Scheme.

CHAPTER II

Board of Trustees

3. Board of Trustees.—Subject to the provisions hereinafter contained the Fund shall vest in and be administered by a Board of Trustees consisting of the following persons, namely:—

(a) The General Manager of the concern, who shall ex-officio be the Chairman ofth e Board.

(b) Three employees nominated by the Director on behalf of the Management from amongst the officers employed in managerial or administrative capacity in the Establishment; and,

(c) Three employees nominated by the Labour Association or Union on behalf of the workers, or elected in acccordance with the election procedure detailed in Annexure I.

4. Term of office.—(i) The term of Office of the Trustees of the Board shall be three years commencing from the date on which their appointment is notified in the Official Gazette.

Provided that any such Trustees shall, notwithstanding the expiry of the said period of three years continue to hold office until the nomination or election, as the case may be, of his successor is notified by the Director.

(2) Any trustee referred to in sub-rule (1) nominated or elected, as the case may be, to fill a casual vacancy, shall hold office for the remainder of the term of office of the Trustee in whose place he is nominated or elected as the case may be.

(3) An outgoing Trustee shall be eligible for renomination or re-election, as the case may be.

5. Resignation.—A Trustee may resign his office by letter in writing addressed to the Director and his office shall fall vacant from the date on which his resignation is accepted by the Director.

6. Cessation and Restoration of Trusteeship.—If a Trustee ceases to be an employee of the establishment or ceases to be a member of the Fund, or is a nominee or representation of a union which has been since derecognised or fails to attend three consecutive meetings of the Board without obtaining leave of absence from the Chairman of the Board, he shall cease to be a Trustee.

Provided that the Director may restore him to Trusteeship if he satisfied that there were reasonable grounds for the absence.

7. Disqualification for Trusteeship.—(1) A person shall be disqualified for being nominated or elected or to continue as a Trustee:—

(a) if he is declared to be of unsound mind by a competent court. or

(b) if he is an undischarged insolvent, or,

(c) if before or after the commencement of the Act he has been convicted of an offence involving moral turpitude.

(2) If any question arises whether any person is disqualified under sub-rule (1) it shall be referred to the Commissioner whose decision on any such question shall be final.

8. Meetings.—(1) The Board of Trustees shall, subject to the provisions of rule 9, meet at such place within the premises of the concern and at such time as may be appointed by the Chairman.

(2) The Chairman may, whenever he thinks fit, and shall, within two days of the receipt of a requisition in writing from not less than three trustees, call for a meeting thereof.

9. Notice of Meetings and List of business.—Notice of not less than seven days (excluding Factory Holidays) from the date of pasting of the notice on the Notice Board of the factory containing the date, time and place of every ordinary meeting together with a list of business, to be conducted there at shall be given. A copy of the notice shall be simultaneously furnished to the Union or Association for the information of the Workers representatives on the Board.

Provided that when the Chairman calls for a meeting for considering any matter which in his opinion is urgent, a notice giving such reasonable time as he may consider necessary, shall be deemed sufficient.

10. Quorum.—(1) No business shall be transacted at a meeting of the Board unless at least two of the Trustees, exclusive of the Chairman, of whom at least one shall be the Workers Representative are present.

(2) If at any meeting the number of Trustees is less than the required quorum, the Chairman shall adjourn the

meeting to a date not later than three days from the date of the original meeting informed the Trustees of the date, time and place of the adjourned meeting and it shall there upon be lawful to dispose of the business at such adjourned meeting irrespective of the number of Trustees present.

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11. Disposal of business.—Every question considered at a meeting of the Board shall be decided by a majority of the votes of the Trustees present and voting. In the event of an equality of votes, the Chairman shall exercise a costing vote:

Provided that the Chairman, may, if he thinks fit, direct that any question shall be decided by the circulation of the necessary papers to Trustees and by securing their opinion in writing. Any such question shall be decided in accordince with the opinion of the majority of Trustees received within the time limit allowed and if the opinion are equally divided , the opinion of the Regional Provident Fund Commissioner shall prevail:

Provided further that any Trustee may request that the question referred to Trustee for written opinion be considered at a meeting of the Board there upon the Chairman may and if the request is made by not less than three Trustees, shall, direct that it be so considered.

12. Minutes of Meetings.—The Minutes of a meeting of the Board of Trustees showing **inter-alia** the names of the Trustees present thereat shall be circulated to all the Trustees available at the Headquarters not later than ten days from the date of the meeting. The minutes shall thereafter be recorded in a minute book as a permanent record:

Provided that if another meeting is held within a period of ten days, the minutes shall be circulated so as to reach the Trustees at least twenty four hours before such meeting.

(2) The record of each meeting shall be signed by the Chairman after confirmation with such modifications, if any, as may be considered necessary at the next meeting.

13. Acts of the Board not invalid by reason of defect in its constitution, etc.—No act or proceedings of the Board shall be deemed to be invalid by reason merely of any vacancy in or any defect in the constitution of the Board of Trustees.

CHAPTER III

Staff

14. Secretary of the Board.—The Labour Welfare Officer or any other officer doing the duties of the Labour Welfare Officer of the concern, shall be the **ex-officio** Secretary to the Board. He shall, in consultation with the Chairman, convene meetings of the Board, keep a record of its minutes and shall take necessary steps for carrying out the decisions of the Board.

15. Powers of the Director to sanction expenditure:—(1) The Director may sanction on the request of the Board expenditure on contigencies, supplies and services and purchase of articles required for the administration of the fund upto a limit of one hundred rupees in each case. Cases involving an expenditure of more than one hundred rupees in each case shall be referred to the Board of Management for Government Industrial Concerns for sanction.

(2) All expenses including pay and allowances of the members of the staff of the Board shall be borne by the Directors of the Concerns, concerned.

CHAPTER IV

Membership of the Fund

16. Classes of employees entitled and required to join the Fund:—(1) (a) Every employee employed in or in connection with the work of a factory other than an excluded employee shall be entitled and required to become a member of the Fund from the beginning of the month from which he has completed one year's continuous service or has actually worked for not less than two hundred and forty days during a period of twelve months or less in that factory or in any other factory or partly in one and partly in the other.

(b) Every employee employed in or in connection with the work of a factory, other than the excluded employee shall also be entitled and required to become a member of the Fund from the beginning of the month following that in which the Employees' Provident Fund Act, 1952 came into force in such Factory or other establishment if, on the date of such coming into force, such employee is a subscriber to the Provident Fund maintained in respect of the factory or establishment to which the Act applies under the same employeer;

Provided that where the Provident Fund Scheme applies to a factory on the expiry on the cancellation of an order of exemption under Section 17 of the Act,—every employee who but for exemption would have become and continued as a member of the Fund, shall become a member of the Fund forthwith.

(2) Every employee employed in or in connection with the work of a factory, other than an excluded employee, who has not become a member already shall also be entitled and required to become a member from the beginning of the month following that in which he completes one year's continuous service or has actually worked for not less than two hundred and forty days during

a period of twelve months or less in that factory or in any other factory under the Government of Karnataka or partly in one and partly in the other.

(3) An excluded employee employed in or in connection with the work of a factory, on ceasing to be such an employee, be entitled and required to become a member of the Fund from the beginning of the month following that in which he ceased to be such employee, provided that on the date on which he ceases to be an excluded employee he has completed one year's continuous service or has actually worked for not less than two hundred and forty days during a period of twelve months or less in the factory or other establishment or in any other factory under the Government of Karnataka or partly in one and partly in the other.

(4) Notwithstanding anything contained in these rules, Government may on the request in writing of an employee of a Factory to which these rules apply, enrol such employees as a member or allow him to contribute on more than one thousand rupees of his pay per mensem if he is already a member of the Fund and thereupon such employee shall be entitled to the benefits and shall be subject to the condition of the Fund, provided that the employer gives an undertaking in writing that he shall pay the administrative charges payable and comply with all statutory provisions in respect of such employee.

Explanation I.—For the purpose of this pargraph, "continuous service" shall mean uninterrupted service, but include such service which is interrupted by sickness, accident, authorised leave, strike which is not illegal or involuntary unemployment:

Provided that an illegal strike shall not constitute a break in the service of an employee where his employer has condoned the break in continuous service due to such illegal strike or where an employee is continued in employment without prejudice to his continuity of service, either as a result of a settlement between him and the employer or an award.

Explanation II.—In computing the period of work two hundred and forty days under this rule:—

(a) Period of involuntary unemployment caused by stoppage of work due to shortage of raw-materials, or of fuel, changes in the line of production, break-down of machinery or any other similar cause;

(b) Periods of authorised leave; and

(c) In the case of a female employee, periods of maternity leave for any number of days not exceeding twelve weeks shall also be deemed to be days on which the employee has worked in the factory.

(5) A member of the Fund shall continue to be a member until he withdraws the amount standing to his credit in the Fund or is covered by a notification of exemption under section 17 of the Act or an order of exemption under paragraph 27 and paragraph 27(a) of the Employees Provident Fund Scheme 1952.

Explanation.—(i) In the case of claim for refund by a member, the membership of the Fund shall be deemed to have been terminated from the date the payment is authorised to him by the authority specified in this behalf by Government irrespective of the date of claim.

(ii) Every member employed as an employee other than an excluded employee, in a factory or other establishment to which these rules apply, shall contribute to the Fund, and the contribution shall also be payable to the Fund in respect of him by the concern. Such contribution shall be in accordince with rate of specified in the rule 17:

Provided that where the monthly pay of such member exceeds one thousand rupees, the contribution payable by him, and in respect of him by the concern, shall be limited to the amounts payable on a monthly pay of one

thousand rupees including dearness allowance and cash value of food concession, if any.

(6) If any question arises whether an employee is entitled or required to become or continue as a member, or as regards the date from which he is so entitled or required to become a member, the decision thereon of the Commissioner shall be final.

Provided that no decision shall be given unless both the employer and the employee have been heard.

CHAPTER V.

Contributions

17. **Contributions.**—(1) The contribution payable by the Concern under these rules shall be at the rate prescribed under the Act.

(2) The contribution payable by the employee shall be equal to the contribution payable by the concern in respect of such employee.

Provided that in respect of any employee to whom these Rules apply, the Commissioner may, if the employee so desires, allow such employee to contribute an amount not exceeding 8½% of the basic wages and the dearness allowance (including the cash value food concessions if any) payable to him.

(3) The contribution shall be calculated on the basic wages and dearness allowance (including the cash value of food concessions if any) actually drawn during the whole month whether paid on daily, weekly, fortnightly or monthly basis.

(4) Each contribution shall be calculated to the nearest quarter of a rupee; 12.5 paise or more to be counted as one quarter of a rupee.

Note.—The above contribution shall be only in respect of pay or wages and does not include any special or other allowances in lieu of travelling allowances, house rent, extra and overtime.

(5) The Factory shall contribute to the Fund a sum equal to the aggregate amount contributed by the members during that month. The contributions mentioned in rules 4 and 5 respectively shall be paid to the Fund within fifteen days of the close of each month.

(6) If contributions are not paid to the Fund within fifteen days of the close of each month, the Director concerned shall pay the penal damages to the Fund according to the following table :–

Sl. No. of default	One month or less	Over one month up to two months	Over two months upto 3 months	Over three months upto four months	Over four months upto five months	Over five months
1	2	3	4	5	6	7
I	2% of Arrears	5% of Arrears	10% of Arrears	15% of Arrears	20% of Arrears	25% of Arrears
II	5% of Arrears	10% of Arrears	15% of Arrears	20% of Arrears	25% of Arrears	
III	10% of Arrears	15% of Arrears	20% of Arrears	25% of Arrears		
IV	15% of Arrears	20% of Arrears	25% of Arrears			
V	20% of Arrears	25% of Arrears				
VI	25% of Arrears					

CHAPTER VI

Declarations, Members, Account etc.

18. Declaration by persons.—(1) Every employee who is required or entitled to become a member of the Fund shall be asked forthwith by the Concern to furnish and shall on such demand furnish particulars concerning himself and his nominee required for the declaration in the Form prescribed by the Board (Form No. I). The concern shall have the particulars entered in the declaration form and obtain the signature or thumb impression of the person concerned and forward it to the Board.

(2) The employer shall before taking any person in employment ask him to state in writing whether or not he is a member of any Fund and if he is, ask for the account number and the name and particulars of the last employer and furnish their particulars to the Board.

19. Allotment of Account Number.—On receipt of information referred to in rule 18, the employer shall promptly allot an account number to each employee entitled and required to become a member of the Fund and shall communicate the account number of the member and the concern.

20. Maintenance of Accaunts.—A seperate account shall be kept for each member in the form prescribed by the Board (Form II).

21. Annual statement of Members Accounts.—As soon as possible after the close of each financial year every member shall be given a statemen tof his account in the fund showing the opening balance at the beginning of the period, amount contributed during the year, the total amount of interest credited at the end of the period or debited in the period and the closing balance at the end of the period.

22. **Inspection of Accounts by Members.**—Any member making a request in this behalf to the Board shall be permitted to inspect his account himself or to have the same inspected by any person duly authorised by him in writing to do so within three days of making such request provided that no such request shall be entertained more than once in every two calendar months.

23. **Provident Fund Account.**—(1) The aggregate amount received as the employer's and employees contributions to the Fund and interest thereon shall be credited to an account to be called the Provident Fund Account'.

(2) The Provident Fund accumulations standing to the credit of the member in the Fund shall be deposited in Government Savings Bank or in any of the Scheduled Banks.

24. **Interest Suspense Account.**—All interest and other income realised, and not profits or losses, if any, from the sale of investments not including therein the transactions of the administration account, shall be credited or debited, as the case may be, to an account called the "Interest Suspence Account". Brokerage and Commission on the purpose and sale of securities and other investment shall be included in the purchase or sale price, as the case may be, and not separtely charged to the "Interest Suspense Account".

25. **Investment of the moneys belongings to the Fund.**—The Board shall invest every month not less than ninety per cent of the receipts to the Fund after meeting all the payments during the month in the securities as directed by the Commissioner from time to time. The reinvestment of matured securities shall also be invested similarly".

26. **Audited Accounts.**—The Chairman of the Board of Trustees shall place before the Board the audited accounts of the Fund as soon as they are finalised

27. **Interest.**—(1) The factory shall credit, to the account of each Member interest at such rates as may be determined by the Board from time to time.

(2) Interest for the period of currency shall be credited with effect from the last day of the period on the opening balance at the credit of the member on the first day thereof :

Provided that in the case of final settlement of the account, interest shall be payble upto the end of the month preceding the date on which final payment is authorised irrespective of the date of receipt of the claim from the claimant concerned :

Provided further, that, when the amount standing to the credit of the member becomes peyble, interest shall thereupon be credited under this sub-paragraph only for perid from the beginning of the currency period upto the end of the month preceding the date of tender or payment or upto the end of six months after the month in which the amount has become payble whichever is earlier :-

Provided also that the rate of interest to be allowed on claims for refund for the broken curency period shall be the rate fixed for the financial year in which the refund becomes payable :

(3) The aggregate amount of interest credited to the account of the members shall be debited to "Interest Suspense Account".

(4) In determining the rate of interest, the Board shall satisfy itself that there is no over-drawal on the Interest Suspence Account as a result of the debit thereto of the interest credited to the accounts of members.

CHAPTER VIII

Nominations, Payment and Withdrawals from the Fund

28. **Nomination.**—(1) Every member shall make a nomination conferring the right to receive the amount that

may stand to his credit in the Fund in the event of his death occurring before the amount standing to his credit has become payable :

Provided that a Member may modify a nomination once made after giving written notice of his intention of doing so and also that the nomination shall, save as hereinafter provided, be in favour of one or more members of the subscriber's family and shall be made in the appended form. If a subscriber nominates more nominees than one, he may apportion the amount that may stand to his credit in the fund amongst his nominees at his own discretion. If, at the time of making the nomination, the subscriber has no family, the nomination may be in favour of any other person or persons. but if the subscriber subsequently acquires family, such nomination shall forthwith stand cancelled and the subscriber shall make a fresh nomination in favour of one or more members of his family.

(2) If a member has failed to nominate or keep up the nomination of the receiver, then the factory shall, subject to these rules, pay to the person entitled thereto under any probate, letter of administration or succession certificate, the amount standing to the credit of the members in the Fund. Notwithstanding the above procedure, in cases where the total amount does not exceed one thousand rupees the amount may be disbursed to the representative of the deceased member after a summary enquiry by the Director.

(3) In the absence of any nomination or in cases where the nomination is invalid or unexecutable, the amount shall be paid in the manner prescribed in para 70 (iii) of the Scheme

29. **Advance from the Fund for illness of a member or a member of his Family.**—A temporary advance may be granted to a member from his own share of accumulations standing to his credit in the Fund at the discretion of the

Chairman to meet expenses in connection with the illness of the member or a member of his family, or to meet expenses in connection with the marriages of the daughter of the member subject to the following conditions:—

(1) No advance shall be granted unless the Chairman is satisfied that the applicant's pecuniary circumstances justify it.

(2) An advance shall not exceed three months basic pay or wages of the member or fifty per cent of his own contributions:

Provided that the next advance shall not be allowed except for special reasons until at least twelve months have relapsed from the date of the previous advance and unless the outstanding of the previous advance is repaid.

(3) An advance shall be repaid by the member in such number of equal monthly instalments as the Board may direct but such number shall not be less than twelve unless the member so elects or in no case more than forty. A member may, at his option, repay more than one instalment. Each instalment shall be in numbers of whole rupees, the amount of the advance being raised or reduced, if necessary, to admit of the fixation of such instalments.

(4) (a) After the principal of the advance has been fully repaid, interest shall be paid thereon at the rate of five per cent per annum.

(b) Interest shall ordinarily be paid in one instalment in the month after complete repayment of principal; but if the period referred to in sub-rule(3) exceeds twenty months, interest may, if the member so desires, be recovered in two equal monthly instalments.

(5) The employer shall recover the instalments of advance and interest from the member's pay or/wages or/ dearness Allowance and pay it to the Fund. The recovery

of advance shall commence on the first occasion after the advance is made on which the member's pay or wages for a full month is drawn irrespective of whether the balance is or is not claimed by him.

30. Withdrawals from the Funds for payment towards Insurance Policies.—Withdrawals from the Fund for payments towards financing of insurance policies is permissible as per paras 62 to 68 of the scheme.

31. Advance from the Fund for the Purchase of a Dwelling.—House or a Dwelling Site or for construction of a Dwelling House or towards Allotment of a tenement construction/or to be constructed under subsidised Housing Scheme for Industrial Workers :—

Non-refundable advances from the Fund for payments towards purchase of a dwelling house or a house site or for construction of a dwelling house or allotment of a tenement constructed or to be constructed under subsidised Housing Scheme for Industrial Workers are permissible as per Paras 62(B), 68(C), 68(E) and 68(F), 68(G) and 68(GG) of the Scheme.

32. **Payment on Voluntary Resignation.**—On any member voluntarily resigning from the services of the factory after giving due notice of his intention to do so, the factory shall pay to him the aggregate amount subscribed by him to the Fund together with the interest thereon and shall, in respect of the balance remaining to his credit in the Books of the factory, pay to him such sum only, he may be entitled having regard to the following provision, that is to say :—

(i) 75 per cent of the employer's contribution and interest thereon shall be forfeited to the Fund if the period of his membership of the Funds is less than three years ; or

(ii) 50 per cent of the employer's contribution and interest thereon shall be forfeited to the fund if the period

of membership is three years or more but less than five years; or

(iii) 25 per cent of the employer's contribution and interest thereon shall be forfeited to the Fund if the period of membership is five years or more but less than ten years; or

(iv) The whole of the balance shall be paid to him if he shall have served continuously for twelve years or more.

33. Circumstances in which accumulation in the Fund are payable to a member.—(1) A member may withdraw the full amount standing to his credit in the Fund :—

(a) **On retirement from service either on superannuation or otherwise.**—Provided that a member, who has not attained the age of fifty-five years at the time of termination of his service, shall also be entitled to withdraw the full amount standing to his credit in the Fund if he attains the age of fifty five years before the payment is authorised.

(b) On retirement on account of permanent and total incapacity for work due bodily or mental infirmity duly certified by the District Surgeon:

Provided that a member suffering from tuberculosis or leprosy, even if contracted after leaving the service of a factory or other establishment on grounds of illness but before payment has been authorised, shall be deemed to have been permanently and totally incapacitated for work; or

(c) immediately before migration from India for permanent settlement abroad.

34. Payment on Death, Retrenchment or Retirement with consent.—In the case of any member retiring with the previous written sanction of the Director owing to personal

injury sustained in the course of his employment, illness, insanity, general debility, oldage or any other reason considered adequate by the Director, or retrenchment or death of any member, such member retiring or thrown out or his heirs or his nominee shall immediately be paid the amount standing to his credit in the books of the factory as at the date when the account were made up last preceding such retirement, retrenchment or death, plus the full amount of the subscription he shall have paid subsequently upto the date on which his accounts are closed.

35. Payment on Dismissal.—(1) Notwithstanding anything contained in rule 34 if a member is dismissed in a factory for serious and will full misconduct. The factory may send intimation thereof to the Board and the Board or whereso authorised by the Board, the Chairman shall have power to forfeit the employer's contribution upto the maximum of the employer's Contribution in the 1st two complete periods of the currency of the Contribution cards, and that of the period of currency of the current contribution card.

(2) Before expertising the power of forfeiture, the member concerned, shall be called upon by notice in writing to show-cause why the forfeiture shall not be made and shall decide the amount of forfeiture after taking into account any representation made by the member.

(3) A forfeiture made under sub-rule (1) may be reviewed by the Board either of its own motion or at the request of the employer or the member.

(4) Any amount forfeited from the individual account of a member under these rules shall be credited to the reserve account of the fund to be opened for the purpose and shall in no case the factory shall have any claim over it.

36. Transfer of Provident Fund Account.—Whenever an employee's services are transferred permanently from one concern to another Concern in the interest of work or

when an employee leaves the employment and obtains re-employment in another establishment to which the Act applies, the amount of accumulations to his credit in the Provident Fund shall be transferred within such time as may be specified in this behalf by the Central Government to the credit of his account in the Provident Fund of the Concern in which he is re-employed or, as the case may be, in the Fund established under the Scheme applicable to the establishment.

CHAPTER IX

Miscellaneous

37. **Annual Report.**—The Board shall submit to Government by the 30th June of each year a report on the working of these rules during the previous financial year.

38. **Chairman to authenticate order etc.**—(1) All orders and other instruments shall be made and executed in the name of the Board and shall be authenticated by the Chairman in such manner as the Board may specify.

(2) All contracts and assurances of property shall be expressed to be made by the Board and shall be executed on behalf of the Board by the Chairman.

39. **Protection against attachment.**—(1) Any amount standing to the credit of any member in the Fund or of any exempted employee in a Provident Fund shall not in any way be capable of being assigned or charged and shall not be liable to attachment under any degree or order of a Court in respect of any debt or liability incurred by the member ro the exempted employee and neither the official assignee or receiver appointed under the law relating to insolvency in free in the State shall be entitled to have any claim of any such amount.

2. Any amount standing to the credit of a member of the Fund or of an exempted employee in Provident Fund at the time of his death and payable to his nominee under the Scheme or the Rules of the Provident Fund shall, subject to any deduction authorised by the said Scheme or Rules, vest in the nominee and shall be free from any debt or other liability incurred by the deceased or by the nominee before the death of the member or the exempted employee.

CHAPTER X

Repeal and Savings

40. Repeal.—The Government Industrial Concerns Provident Fund Rules, in so far as they were applicable to the employees of the Concern are hereby repealed :

Provided that anything done or any action taken or any liability incurred (including any nomination made any liability incurred in respect of any advance taken by a member should be deemed to have been done, taken or incurred under these rules as if these Rules were in force at the appropriate time.

41. Powers of Government.—The Government shall have the powers to change the rules and the members shall agree to have their accounts regulated according to the rules as they stand from time to time if the same are not inconsistent with the provisions of the Act and the scheme and not objected to by the Board and the Commissioner.

42. Overriding effect of the Act and Scheme.—(1) if there are any provisions in these rules, which are less beneficial than or in conflict with the provisions of the Act and the Scheme the latter shall prevail.

(2) Whether a particular rule of the factory is beneficial or not shall be decided by Commissioner whose decision shall be final.

(3) The provision of the Act and the Scheme shall apply in respect of all matter for which no provision is made in these rules.

MOHANLAL SUKHADIA,
Governor of Karnataka.

[No. CI 42 DGC 72].

By Order and in the name of the Governor of Karnataka,

V. VENUGOPALA NAIDU,
Commissioner for Industries and Secretary
to Government, Commerce and
Industries Department.

FORM I

Declaration by Persons

Rule 18 :

1. Name (in block capitals) Surname :
2. Caste
3. Sex
4. Religion
5. Occupation Shop/Establishment/Department
6. Height
7. Father's name
8. Husband's name
   (for married women only)
9. Marital status :
   (Whether bachelor, spinster, married, widow or widower)
10. Date of birth : Day month year
11. Marks of identification :
12. Permanent Address

Village : Thana Taluk/Sub-Division
District : State

I declare that I have not previously been a member of the Employees' Provident Fund and I hereby nominate the persons mentioned below to receive the amount standing to my credit in the Fund in the event of my death before that amount has become payable, or having become payable has not been paid and direct that the said amount shall be distributed among the said persons in the manner shown below against their names :—

Name & Address of the nominee or nominees	Nominee's relationship with the member	Age of nominee	Amount or share of accumulations in the fund to be paid to each nominee	Contingencies on the happening of which the nomination shall become invalid
1	2	3	4	5

Date :

Signature or left hand thumb impression of the member.

Certified that above declaration has been signed by ..... employed in my factory (or other establishment) before me after he has read the entries.

the entire have been read over to him by me.

Regd. No. of Factory (or other establishment)

Signature of the Manager or other authorised Officer

Name and Designation and address of the Factory (For other Est.)

*Where exact particulars are not available, approximate age may be indicated in consultation with the Medical Officer by the Factory (or other Est.)

FORM II

Maintenance of Accounts

Rule 20.

Contribution Card for monthly paid employees for the period from to

1. Account No.
2. Name (in block capitals) Surname :
3. Caste
4. Sex
5. Date of birth as given in Form I
6. Occupation
7. Father's name
8. Husband's name (for married women only)
9. Marital status : (whether bachelor, spinster, married, widow or widower)
10. Permanent address :

Village : Thana Taluk/Sub-Division

District : State

11. Signature or left hand thumb impression of member.
12. Signature of person preparing the card.
13. Signature of the Manager of the Factory (or other establishment)
14. Registered Number of the Factory (or other establishment)
15. Name and address of the Factory (or other establishment)

Particulars of employment.

Registered number of Factory (or other establishment)	Period of employment		Remarks	Initial of the employer's authorised clerk
	From	To		
1	2	3	4	5
The employer's and member's contributions should be shown separately for each month	Month 1 Employer's Member's Total Amount refunded	Month 2	Month 3	Month 4

Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12

Total contribution by the employer. Rs. P.

Total contribution by the member

Grand Total

Amount refunded

Signature of the employer's Head Clerk or any authorised Clerk.

Checked and found correct

Authorised official of the office of the Commissioner.

Date :

By Order and in the name of the Governor of Karnataka,

Y. K. PUTTASOME GOWDA,

Deputy Secretary to Government,
Commerce and Industries Department.

ANNEXURE I

Rules regarding the election of Employees and representatives on the Board of Trustees of Provident Fund of an establishment exempted under Section 17(1) of the Employees Provident Funds Act, 1952.

1. **Election of Employee's Representative.**—The representatives of the employees shall be elected by the members of the Fund in an election to be held for the purpose on any working day :

Provided that whenever there is recognised union under Code of Discipline or under any Act, such Unions shall nominate the Employees representatives :

Provided further that wherever there is no recognised union under the Code of Discipline or under any Act, any registered Union Existing in the establishment shall nominate the employees representatives. Where there is more than on such union, the procedure laid down in the Industrial Disputes (Central) Rules, 1957 for the election of workers representatives on the works committee shall be followed with such modifications, if any, as may be considered necessary by the Commissioner.

2. **Qualifications of Candidates for Election.**—Any employee of the establishment who is a member of the Fund and who is not less than twenty-one years of age, may, if nominated as herein after provided, be a candidate for election sa an employees representatives. An outgoing trustee shall be eligible for re-election or renomination as the case may be.

3. **Procedure for Election.**—The employer shall fix a date for receiving nominations from candidates for election as employee's representatives. He shall also fix a date for withdrawal of nomination and the date of election which shall not be earlier than three days or later than ten days after the closing of the date for withdrawal of nominations. The date so fixed shall be notified to the members at least seven days in advance. The notice shall be affixed on the notice

Board of the establishment. The Notice shall also specify the number of seats to be filled by the employee's representatives. A copy of such notice shall also be sent to the recognised trade union or unions concerned in the establishment and to the Commissioner. the election notice and procedure shall be published in the Regional language besides in English.

4. **Nomination of Candidates for Election.**—Every nomination shall be made in the form annexed to these rules. Each nomination paper shall be signed by the candidates to whom it relates and attested by at least two members of the Fund, other than the proposer and shall be delivered to the employer before or on the closing date fixed for receiving the nominations.

5. Scrutiny of nomination papers.—The Employer shall scrutinise the nomination papers received under Rule 4 on the date of following the last date fixed for withdrawing the nomination papers. The candidate or his nominee, the proposer or the attesting members may be present if they so desire. The invalid nomination papers shall be rejected.

6. **Voting in Election.**—(1) If the number of candidates who have been validly nomonated is equal to the number of seats, the candidates shall forthwith be declared duly elected.

(2) If the number of candidates is more than the number of seats voting shall take place on the date fixed; for election.

(3) The election shall be conducted by the employer in the presence of an officer deputed by the Commissioner.

(4) Every member of the fund shall have as many votes as there are seats to be filled on the Board.

Provided that each such member shall be entitled to cast only one vote in favour of any one candidate.

(5) The voting shall be secret ballot.

7. **Reference to the Commissioner.**—In case of any dispute or doubt the matter shall be referred to the Commissioner in whose region the Head Officer of the Establishment is situated. His decision in the matter shall be final and binding.

MOHANLAL SUKHADIA,
Governor of Karnataka.

By Order and in the name of the Governor of Karnataka.

V. VENUGOPALA NAIDU,
Commissioner for Industries and Secretary to Government,
Commerce and Industries Department.